GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5226
ANSWERED ON:20.04.2001
EASTERN COALFIELDS LIMITED
SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

(a) whether BIFR has declared the public sector Eastern Coalfields as sick and asked the State Bank of India to examine the viability of the company;

(b) if so. the details thereof;

(c) the total accumulated loss of the company at present as against the total net worth;

(d) whether the State Bank of India has started evaluation of the ailing company and measures for rehabilitation; and

(e) if so, the details thereof and time by which SBI is likely to come out with the rehabilitation and viability package ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB ViKHE PATH) :

(a) and (b) Yes, Sir. The Eastern Coalfields Limited (ECL) has been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 23rd February, 2001. State Bank of India (SBI) has been appointed as Operating Agency (OA) to examine the viability of the company. The promoters were directed to submit a comprehensive rehabilitation scheme within four weeks. If the proposal of the company is found viable, the OA would hold a joint meeting to evolve an agreed package and submit its report to BIFR within eight weeks.

(c) The total accumulated losses of the company as on 31st March 2000 were Rs. 2929.31 crores against net worth of Rs. 2227.77 crores.

(d) and (e) State Bank of India has reportedly received a Rehabilitation Scheme from ECL. The Bank (OA) is making all efforts to evolve a rehabilitation and viability package expeditiously.